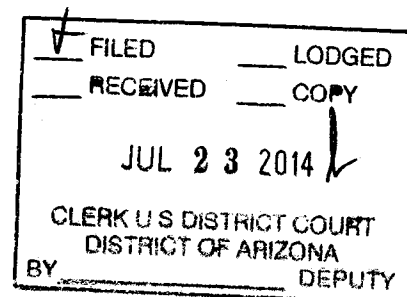


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Attorneys for Marc Turi

UNITED STATES DISTRICT COURT  
 DISTRICT OF ARIZONA

**SEALED**

United States of America,  
 Plaintiff,

v.

1. Marc Turi; and  
 2. Turi Defense Group,  
 Defendants

Cause No. 14-cr-00191-1-DGC  
 \*SEALED\*

**INITIAL MOTION TO DISMISS  
 INDICTMENT**

**(Expedited Consideration and Oral  
 Argument Requested)**

[FILED UNDER SEAL]

**INTRODUCTION**

This is a straightforward motion in a case with novel facts. And while some factual and procedural background is necessarily set out below, the legal basis for this motion is simple: pursuant to Federal Rules of Criminal Procedure 1(a)(1) and 12(b)(3), Marc Turi respectfully moves this Court to dismiss, **prior to this case being unsealed**, the constitutionally and statutorily defective Indictment that the Government has secured against him.<sup>1</sup>

<sup>1</sup> Because of the extreme, government-imposed collateral consequences which would attach to the unsealing of this case, Mr. Turi asks that the Court consider and rule upon his motion at the earliest possible moment **before August 11, 2014**, when the Government plans to move to unseal or, alternatively, to decline to unseal the case until deciding this Motion. Undersigned counsel notes that none of the arguments raised here are unknown to the Government. Within days after being appointed to this case, undersigned counsel raised these issues with the Government, which declined to respond beyond saying that the case would go forward.

## BACKGROUND

Arizona resident Marc Turi has been a State Department-registered broker<sup>2</sup> of “defense articles,” pursuant to the Arms Export Control Act (“AECA”), 22 U.S.C. § 2778, since 2008. Over the past three years, Mr. Turi and his company, Turi Defense Group, Inc., have supplied, and provided logistical support for the supply of, defense articles in furtherance of U.S. Government policy in Iraq and Afghanistan, among other places.

In early 2011, while under contract with the Government for work in those countries, Mr. Turi requested State Department approval to conduct brokering discussions with allied entities and governments in Africa, including the National Transitional Council of Libya (“NTC”)<sup>3</sup> and long-time U.S. allies, the United Arab Emirates (“UAE”) and Qatar. Such requests are common in Mr. Turi’s business, and are typically referred to as requests for prior approval. The Qatar and UAE requests were approved by the Department of State, while the initial request regarding the NTC was denied. In the end, however, **no weapons were ever transferred pursuant to these requests. As is often the case in the international arms trade, these deals did not come to fruition.**

Later in 2011, though, the Government began investigating Mr. Turi for still-unknown reasons. From then until now, the Government has searched Mr. Turi’s home, seizing computers and other electronic media, stopped him as he re-entered the country at Chicago O’Hare International Airport, seizing even more computers, and flown agents around the world to interview Mr. Turi’s associates in the brokering business and the intelligence community. After years of invasive searching and worldwide investigation of his complicated business, the Government obtained the Indictment, which generally alleges that Mr. Turi made false statements in his requests for prior approval regarding the UAE (the “UAE Request”) and Qatar (the “Qatar Request”). More specifically, the Indictment charges Mr. Turi with four counts. Two of those counts allege violations of 22

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<sup>2</sup> Turi Defense Group, Inc. is assigned “Broker Registration Code” K-2085 by the U.S. Department of State, Directorate of Defense Trade Controls.

<sup>3</sup> The U.S.-supported, U.N.-recognized body which governed Libya in the immediate aftermath of the fall of its longtime dictator Muammar Gaddafi.

1 U.S.C. § 2778(c) by “willfully and knowingly mak[ing] and caus[ing] to be made a  
 2 material untrue statement and omit[ing] a material fact required to be stated therein.”<sup>4</sup>  
 3 The other two counts allege violations of 18 U.S.C. § 1001 (false statements).<sup>5</sup>

4 The Government’s theory is that both Requests were false in their recitals that the  
 5 “end users” of the defense articles to be brokered were the governments of Qatar and the  
 6 UAE, respectively. Rather, says the Government, Mr. Turi illegally planned to send the  
 7 defense articles to the NTC in Libya, an end user for which Mr. Turi had been denied  
 8 permission to broker.<sup>6</sup> The merit, or lack thereof, of the Government’s theory is for  
 9 another day. No disputed fact need be considered to decide this Motion.

10 The Indictment should be dismissed because of two facial deficiencies. Most  
 11 obviously, the Indictment fails because it is multiplicitous, in violation of the  
 12 Constitution’s Double Jeopardy Clause; each allegedly false statement is charged as a  
 13 violation of **both** 18 U.S.C. § 1001 and the false statement provision of 22 U.S.C. § 2778.  
 14 The Indictment also fails, nearly as obviously, because the letters seeking “prior approval”  
 15 to engage in brokering discussions with respect to Qatar and the UAE are not license  
 16 applications within the narrow meaning of 22 U.S.C. § 2778(c), as alleged in the  
 17 Indictment.<sup>7</sup> Furthermore, because the Government’s grand jury presentation produced an  
 18 Indictment that is so deeply flawed, the sum of those flaws provides a further basis for  
 19 dismissing the Indictment -- a total, cumulative failure of due process.

20 Mr. Turi has already suffered gravely as a result of the Government’s long-running  
 21 investigation. And allowing this case to continue will extinguish what little spark remains

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22 <sup>4</sup> Indictment ¶¶ 26, 30.

23 <sup>5</sup> *Id.* ¶¶ 28, 32.

24 <sup>6</sup> *Id.* ¶¶ 26, 28, 30, 32.

25 <sup>7</sup> *Id.* ¶ 26, 30. Nor are the requests for prior approval “registration[s]” or  
 26 “required reports,” for which § 2778 similarly provides criminal liability. This Court need  
 27 not reach that argument, however, given that the Indictment does not allege that the prior  
 28 approval requests fit in either category. *See United States v. Adamson*, 291 F.3d 606, 614  
 (9th Cir. 2002) (“After an indictment has been returned and criminal proceedings are  
 underway, the indictment’s charges may not be broadened by amendment, either literal or  
 constructive, except by the grand jury itself.”).

of his business because, under the onerous regulations implementing the AECA, an “application for an export license or other approval under this subchapter may be disapproved . . . , revoked, suspended, or amended without prior notice whenever” an individual is indicted. 22 C.F.R. § 126.7(a), (a)(3) (emphasis added). The regulation takes the highly unusual step of punishing individuals who have been merely indicted, rather than convicted, for particular crimes (of which violations of §§ 1001 and 2778 qualify). Therefore, because unsealing the case without dismissing the Indictment would subject Mr. Turi not only to the substantial reputational harm inflicted on many indicted defendants, but also to the unique consequences he would suffer as a registered broker of defense articles, due process demands that the defective Indictment be dismissed prior to being unsealed. Such extreme deprivation of Mr. Turi’s interests should be allowed to occur, if at all, only after a constitutionally and legally sound grand jury process.

### ARGUMENT

“Federal courts draw their power to dismiss indictments from two sources’: the Constitution, and the courts’ inherent supervisory powers.” *United States v. Caruto*, 663 F.3d 394, 397 (9th Cir. 2011) (quoting *United States v. Isgro*, 974 F.2d 1091, 1094 (9th Cir. 1992)). An indictment obtained in violation of the Constitution cannot stand. *Id.* Here, the sealed Indictment is entirely inconsistent with the Fifth Amendment’s Double Jeopardy protections. Furthermore, the Indictment reflects a plain legal error in that it is premised on the erroneous assumption that the Requests are license applications. Because this Court has “the power **and duty** to dismiss federal indictments obtained in violation of the Constitution or laws of the United States,” *United States v. Pabian*, 704 F.2d 1533, 1536 (11th Cir. 1983) (emphasis added), the Indictment must be dismissed.

#### **I. By Twice Charging Two Separate Crimes for One Allegedly False Statement, the Indictment is Multiplicitous, in Violation of the Fifth Amendment’s Double Jeopardy Clause.**

“The Double Jeopardy Clause . . . assur[es] that the court does not exceed its legislative authorization by imposing multiple punishments for the same offense.” *Brown*

1 v. *Ohio*, 432 U.S. 161, 165 (1977). Two criminal charges may only be brought for the  
2 same underlying conduct if “each [statutory] provision requires proof of a fact which the  
3 other does not.” *Blockburger v. United States*, 284 U.S. 299, 304 (1932). Here, there are  
4 only two alleged false statements but four counts in the Indictment. Each alleged false  
5 statement is charged as a violation of both § 1001 and § 2778. The Indictment fails the  
6 *Blockburger* test.

7 “The elements of a s 1001 violation include (1) knowingly making a false  
8 statement (2) which is material and (3) made with regard to any matter within the  
9 jurisdiction of any department or agency of the United States.” *United States v. Rose*, 570  
10 F.2d 1358, 1363 (9th Cir. 1978). The elements of a § 2778 violation are that the  
11 individual “willfully, in a registration or license application or required report, makes any  
12 untrue statement of a material fact or omits to state a material fact.” 22 U.S.C. § 2778(c).

13 The only difference is thus that § 2778 requires the material false statement to be  
14 made “in a registration or license application or required report” in the context of the  
15 AECA, while § 1001 requires only that it be “with regard to any matter within the  
16 jurisdiction of any department or agency of the United States,” *Rose*, 570 F.2d at 1363.  
17 Consequently, although § 2778 requires proof of an element not present in § 1001, the  
18 reverse is not true.

19 Unsurprisingly, undersigned counsel has located no case in which a defendant was  
20 charged under both § 1001 and the false representation provision of § 2778. Notably,  
21 though, in other contexts, courts have found double jeopardy violations where defendants  
22 were charged under § 1001 and more specific false statement provisions. *See, e.g., United*  
23 *States v. Avelino*, 967 F.2d 815, 816 (2d Cir. 1992) (finding double jeopardy violation  
24 where defendant was convicted and sentenced under both § 1001 and 18 U.S.C. § 542,  
25 which prohibits making false statements to U.S. customs officials); *Rose*, 570 F.2d at  
26 1363-64 (same); *see also United States v. Wilson*, 721 F.2d 967, 970-71 (4th Cir. 1983)  
27 (finding double jeopardy violation where defendant was convicted and sentenced under  
28 both § 2778 and 18 U.S.C. § 924). To the extent there is any ambiguity, “[d]oubt should

1 be resolved against turning a single transaction into a multiple offense.” *Fisher v. United*  
 2 *States*, 231 F.2d 99, 103 (9th Cir. 1956) (disapproving of charging multiple false  
 3 statement counts based on false statements made in a single document); *see also* Dept. of  
 4 Justice, United States Attorneys’ Manual Title 9 § 919 (1997) (citing *Fisher* and stating  
 5 that “[i]f the false statements are contained in one document . . . it is preferable to indict  
 6 only one count for the entire document”).

7 But here, it is clear that a single allegedly false statement cannot support charges  
 8 under both § 1001 and § 2778. As the Ninth Circuit noted in *Rose*:

9 [P]roperly construed, [§ 1001] serves as a **catch-all**, reaching  
 10 those false representations that might “substantially impair the  
 11 basic functions entrusted by law to (the particular) agency,”  
 12 **but which are not prohibited by other statutes. The**  
 13 **legislative history reveals no evidence of an intent to**  
 14 **pyramid punishment for offenses covered by another**  
 15 **statute as well as by s 1001.**

16 570 F.2d at 1363 (emphasis added). Accordingly, the Indictment stands in direct violation  
 17 of the Fifth Amendment.

18 **II. Because Requests for Prior Approval Are Not License Applications, the Two**  
 19 **Counts Under 22 U.S.C. § 2778 Fail as a Matter of Law and Must Be**  
 20 **Dismissed.**

21 An indictment must be dismissed not only when constitutional error is present, but  
 22 also when it fails as a matter of law. *See United States v. Shortt Accountancy Corp.*, 785  
 23 F.2d 1448, 1452 (9th Cir. 1986). In *United States v. Jones*, for example, the Sixth Circuit  
 24 held that the defendant’s argument that 18 U.S.C. § 2511(1)(a) did not apply to  
 25 interspousal wiretaps was cognizable in a motion to dismiss the indictment before trial  
 26 because it raised a purely legal question. 542 F.2d 661, 665 (6th Cir. 1976). Similarly, in  
 27 *United States v. Riggins*, the Ninth Circuit held that while whether a particular object is a  
 28 dangerous weapon as used in a particular case is a question for the jury, whether the  
 object could *ever* be a dangerous weapon was a purely legal question of statutory  
 interpretation. 40 F.3d 1055, 1057 (9th Cir. 1994). The court thus held that claim was



properly the subject of a pretrial motion to dismiss the indictment. *Id.*; see also *United States v. Vasquez*, 843 F. Supp. 2d. 1147, 1150 (D. Or. 2012) (dismissing indictment because the allegations failed to fit the terms of the statute).

Section 2778 criminalizes only false statements made “in a registration or license application or required report.” 22 U.S.C. § 2778(c). Here, the Indictment alleges only that requests for prior approval are license applications, not that they fit in either of the other two categories.<sup>8</sup> Because a request for prior approval is not a license application, the Indictment must be dismissed.

At the time of the relevant acts here, ITAR explicitly provided that “[l]icense means a document bearing the word ‘license’ issued by the Directorate of Defense Trade Controls or its authorized designee which permits the export or temporary import of a specific defense article or defense service controlled by this subchapter.” 22 C.F.R. § 120.20 (2011). A prior approval to engage in brokering activity nowhere bears the word “license,” as can be seen by the approvals issued by the Department of State here.<sup>9,10</sup>

Furthermore, amendments made to ITAR since 2011 make clear that a request for prior approval is not a license, but rather that such requests fit in another category of

<sup>8</sup> See Indictment ¶¶ 26, 30.

<sup>9</sup> See Ex. 1 (Qatar Request), Ex. 2 (Qatar Approval), Ex. 3 (UAE Request), Ex. 4 (UAE Approval). This Court may take judicial notice of the requests for prior approval and resulting approvals as they are “not subject to reasonable dispute” and their “accuracy cannot reasonably be questioned.” Fed. R. Evid. 201(b), (b)(2); see also *United States v. Esquivel*, 88 F.3d 722, 726-27 (9th Cir. 1996) (taking judicial notice of Department of Commerce (census) documents); *Tilted Kilt Franchise Operating, LLC v. Helper*, No. CV-10-1951-PHX-DGC, 2011 WL 1526951, at \*1 (D. Ariz. 2011) (unpublished) (taking judicial notice of government document because it was “capable of accurate and ready determination and not subject to reasonable dispute”) (citation and internal quotation marks omitted).

<sup>10</sup> In 2011, (when the prior approval requests relevant here were submitted), the provisions of ITAR cited by the Government in the Indictment used the word “license” in passing. The title of § 129.6 was “Requirement for License/Approval” and the title of § 129.7 was “Prior Approval (License).” See 22 C.F.R. §§ 129.6, 129.7 (2011). Titles, however, are not controlling in the same way that statutory and regulatory language is. *Pennsylvania Dept. of Corrections v. Yeskey*, 524 U.S. 206, 212 (1998). In the text, § 129.7 abandoned use of the term “license,” using only the term “prior written approval” instead. See 22 C.F.R. § 129.7(a) (2011). Section 129.6, meanwhile, appears to have used the terms “prior written approval” and “license” interchangeably. 22 C.F.R. § 129.6 (2011).

document entirely. The Government appears to rely on §§ 129.6 and 129.7 in support of its theory that these requests were license applications.<sup>11</sup> Section 129.7 has been substantially changed since 2011. *See* 22 C.F.R. § 129.7 (2014) (now titled “Policy on embargoes and other proscriptions.”). The current version of that provision does refer to approvals of brokering activities, but nowhere uses the word “license.” The current version of § 129.6 similarly speaks of “requests for approval of brokering activities” and does not in any way characterize such approvals as “licenses.” 22 C.F.R. § 129.6 (2014).

In fact, § 129.6 now makes explicit the previously-implied distinction between “a license” and an “other approval.” *See* 22 C.F.R §§ 129.6(a)(ii), (iii) (2014). So does the newest version of § 120.20, which now not only defines “license,” but also defines an “[o]ther approval” as “a document issued by the Deputy Assistant Secretary of State for Defense Trade Controls, or his authorized designee, that approves an activity regulated by this subchapter (e.g., **approvals for brokering activities** or retransfer authorizations).” (emphasis added).<sup>12</sup> That is exactly what we have here.<sup>13</sup>

The recent changes to the regulations make clear that requests for prior approval are requests for “other approval,” not “license applications.” To the extent a conflict existed in the regulations at the time, any such conflict must be resolved in Mr. Turi’s favor. So must any other ambiguity regarding whether requests for prior approval are “license applications.” The rule of lenity demands as much. “[W]hen a criminal statute has two possible readings, [courts] do not choose the harsher alternative unless Congress

<sup>11</sup> *See* Indictment ¶¶ 12, 14.

<sup>12</sup> In response to the specific requests in this case, Mr. Turi received letters and/or emails from the Office of Defense Trade Controls Licensing approving or denying his requests. *See supra* note 9.

<sup>13</sup> Moreover, recent amendments altered the definition of “license” to add the term “brokering.” The relevant Regulation now covers documents which “permit[] the export, temporary import, **or brokering** of a specific defense article or defense service,” 22 C.F.R. § 120.20 (2014). This change strongly suggests that approvals of brokering activity were not included within the regulation’s definition of “license” at the time relevant to Mr. Turi’s case. *See Stone v. INS*, 514 U.S. 386, 397 (1995) (“When Congress acts to amend a statute, we presume it intends its amendment to have real and substantial effect.”). In any event, neither provision extends to prior approvals because they do not bear the word “license.”



1 has spoken in language that is clear and definite.” *Abramski v. United States*, 134 S. Ct.  
 2 2259, 2281 (2014). Here, this Court is confronted with nothing even close to “clear and  
 3 definite” language. The prior approval letters are not licenses; the 2778 counts thus fail as  
 4 a matter of law.

5 **III. Because of the Cumulative Effect of These Errors, Due Process Mandates**  
 6 **Dismissal of the Indictment.**

7 Although each of the flaws discussed above is independently sufficient to require  
 8 dismissal of the Indictment, taken together, these defects reveal a grand jury process gone  
 9 so awry as to require complete dismissal in order to vindicate Mr. Turi’s due process  
 10 rights. *See United States v. Peralta*, 763 F. Supp. 14, 21 (S.D.N.Y. 1991) (dismissing  
 11 indictment based on cumulative effect of errors in grand jury proceedings); *see also*  
 12 *United States v. Samango*, 607 F.2d 877 (9th Cir. 1979) (same).

13 The grand jury is an explicit procedural protection conferred by the Fifth  
 14 Amendment. U.S. Const. Amend. V (“No person shall be held to answer for a capital or  
 15 otherwise infamous crime, unless on a presentment or indictment of a Grand Jury.”). That  
 16 said, the grand jury process need not be perfect; grand jury “errors not affecting  
 17 substantial rights shall be disregarded.” *United States v. Mechanik*, 475 U.S. 66, 71  
 18 (1986) (citing Fed. R. Crim. P. 52(a)). But nothing could affect substantial rights more  
 19 than an indictment that violates both the Constitution and the laws of the United States.  
 20 Under such circumstances, this Court has not only the power, but the duty to dismiss the  
 21 Indictment. *Pabian*, 704 F.2d at 1536; *see also United States v. De Rosa*, 783 F.2d 1401,  
 22 1405 (9th Cir. 1986) (scrutiny of grand jury error “focuses on protecting the integrity of  
 23 the judicial process and preserving fairness for the individual defendant”) (internal  
 24 citation omitted). Where, as here, an indictment reflects not only facial violations of the  
 25 Constitution’s protections against Double Jeopardy, but also facial errors of law, that  
 26 indictment reflects a process devoid of fairness -- a process far short of that which the  
 27 Constitution says is due. *Cf. Parle v. Runnels*, 505 F.3d 922, 927 (9th Cir. 2007) (“The  
 28 cumulative effect of multiple errors can violate due process even where no single error

1 rises to the level of a constitutional violation or would independently warrant reversal.”).  
 2 Under such circumstances, the Indictment must be dismissed.

3  
 4 **IV. This Court Must Step In Now, Before the Case Is Unsealed. Otherwise,**  
 5 **Mr. Turi Will Suffer Irreparable Harm Without Having Received**  
 6 **Appropriate Process.**

7 The mere unsealing of this case prior to dismissing the Indictment would impose  
 8 immediate and significant collateral consequences on Mr. Turi even beyond those  
 9 imposed on other defendants. Those indicted instantaneously suffer substantial  
 10 reputational injury. *See, e.g., State v. Clark*, 924 A.2d 542, 548 (N.J. 2007) (noting that  
 11 “[r]eputation injuries no longer can be avoided” once a grand jury indictment is made  
 12 public). Here, that reputational damage will be done not just to Mr. Turi personally, but  
 13 also to his business. *See Rent-A-Center, Inc. v. Canyon Television & Appliance Rental,*  
 14 *Inc.*, 944 F.2d 597, 603 (9th Cir. 1991) (noting that businesses may suffer not only  
 15 economic damage, but also intangible injuries that constitute irreparable harm).

16 Critically, though, a unique quirk in the ITAR regulations will additionally cause  
 17 Mr. Turi far more harm than the reputational damage typically attendant to being indicted.  
 18 Numerous ITAR regulations prohibit those who have been merely indicted from engaging  
 19 in certain activities. Section 120.1(c)(2) of the regulations, for example, provides that  
 20 those indicted for certain criminal offenses (of which §§ 1001 and 2778 are included) “are  
 21 generally ineligible to be involved in activities regulated under th[is] subchapter.” 22  
 22 C.F.R. § 120.1(c)(2). Many provisions require disclosure of the indictment. *See, e.g.,* 22  
 23 C.F.R. §§ 122.4(a)(1), 129.6, 129.8. Most critically, 22 C.F.R. § 126.7(a) and (a)(3)  
 24 provides that an “application for an export license or other approval under this subchapter  
 25 may be disapproved, and any license or other approval or exemption granted under this  
 26 subchapter may be revoked, suspended, or amended without prior notice whenever” an  
 27 individual is indicted.

28 Under the ITAR regime, an unsealed indictment would be the death knell to  
 Mr. Turi’s business and ability to earn a living. Setting aside (at least for now) the

1 constitutionality of these ITAR provisions, which take important rights from those merely  
2 accused of criminal activity, the provisions undoubtedly would deprive Mr. Turi of  
3 important interests based on indictment alone. That deprivation should not be allowed to  
4 occur in light of the defects underlying this Indictment.

5 At the very least, Mr. Turi is entitled to a grand jury process free of constitutional  
6 defect before an indictment is unsealed and his ability to earn a living thus effectively  
7 taken from him. The unusual circumstances presented here provide this Court good cause  
8 to dismiss the Indictment before this case is unsealed.

9 The Supreme Court has noted that “there is no simple way after the verdict to  
10 restore the defendant to the position in which he would have been had the indictment been  
11 dismissed before trial. He will already have suffered whatever inconvenience, expense,  
12 and opprobrium that a proper indictment may have spared him.” *United States v.*  
13 *Mechanik*, 475 U.S. 66, 71 (1986). Similarly, given the unique circumstances here, there  
14 will be no way to restore the status quo after the Indictment is unsealed.

15 “[A] post-indictment remedy may be inadequate to cure the very real damage that  
16 an ill-advised indictment may inflict on a target’s reputation even if the indictment is later  
17 dismissed or if the accused is innocent.” *Jones v. Murdoch*, 200 P.3d 523, 525 (N.M.  
18 2009). That is undoubtedly the case here.

### 19 CONCLUSION

20 Without this Court’s intervention, a constitutionally and legally defective  
21 indictment will be unsealed, causing immediate and irreparable harm to Mr. Turi.  
22 Accordingly, for the reasons above, Mr. Turi respectfully requests that this Court  
23 promptly dismiss the Indictment.

24  
25 ///

26  
27 ///

1 Dated: July 23, 2014.

**PERKINS COIE LLP**

2 By:

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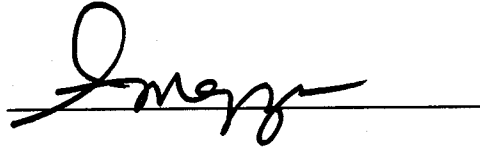
7 Facsimile: 602.648.7000

8 Attorneys for Marc Turi

**CERTIFICATE OF SERVICE**

I hereby certify that on July 23, 2014, an ORIGINAL and ONE COPY of the attached was filed with the Clerk of the Court and that a COPY was sent via U.S. Mail to:

David A. Pimsner  
Kristen Brook  
U.S. Attorney's Office  
40 North Central Avenue, Suite 1200  
Phoenix, Arizona 85004

A handwritten signature in black ink, appearing to read "D. Pimsner", is written over a horizontal line.

# **EXHIBIT 1**





One Source Worldwide

Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd., Suite 300  
Las Vegas, NV 89128

March 29, 2011

Kevin Maloney  
Director, Licensing  
U.S. Department of State - Office of Defense Trade Controls Compliance  
Compliance & Registration Division  
2401 E Street, NW, SA-1, Room H1 200  
Washington, D.C. 20037

Re: PRIOR APPROVAL

Dear Mr. Maloney:

In accordance with 22 C.F.R. 127.7(a)(s), we would like to respectfully request prior approval to conduct brokering activities as outlined below.

Relevant information for this transaction would be:

- a) End User and Use of Equipment: Turi Defense Group, Inc. will be brokering the equipment listed in Attachment "A" which is of non-U.S. origin and will not be traveling through a U.S. port to the End User, The Ministry of Defence, Government of Qatar for military and security purposes.
- b) Brokering Activity - Turi Defense Group is brokering USML defense articles
- c) Additional Parties – Dolarian Capital, Inc., Ministry of Defence, Government of Qatar
- d) Defense articles, quantity, value, security classification, USML Category: See Attachment A
- e) Technical Data: No technical data will accompany the hardware.
- f) Country of Origin: Czech Republic, Bulgaria, Romania, Ukraine

In compliance with 22 C.F.R. 122.2(b)(1), I hereby state that I am an authorized senior official of *Turi Defense Group, Inc.* Furthermore, I hereby state that:



One Source Worldwide

Neither the intending registrant, chief executive officer, president, vice-presidents, other senior officers or officials (e.g., comptroller, treasurer, general counsel) nor any member of the board of directors:

(i) has ever been indicted for or convicted of violating any of the U.S. criminal statutes enumerated in 22 CFR 120.27; or

(ii) is ineligible to contract with, or to receive a license or other approval to import defense articles or defense services from, or to receive an export license or other approval from, any agency of the U.S. Government.

In accordance with 22 CFR 122.2(b) (2), I state that *Turi Defense Group, Inc.* is neither owned nor controlled by foreign persons (as defined in 22 CFR 120.16).

Should you have any questions, please contact me by e-mail at [marc@turico.com](mailto:marc@turico.com) or by phone office 888-953-5999 or mobile phone 702-274-3638.

Best Regards,

A handwritten signature in cursive script that reads "Marc Turi".

Marc Turi  
President

Registrant Code: K-2085



One Source Worldwide

## ATTACHMENT A

Description	Qty	USML Category	Security Classification	Delivered Price
AKM	15,000	I	None	\$ -
RPK	1,400	I	None	\$ -
KPV - Heavy Machine Gun	1,000	II	None	\$ -
Zu-23 (Twin)	500	II	None	\$ -
RPG7	1,000	II	None	\$ -
PKMS	500	I	None	\$ -
DSHK	300	I	None	\$ -
60mm Mortar w/Optics	100	II	None	\$ -
82mm Mortar w/Optics	100	II	None	\$ -
120mm Mortar w/Optics	50	II	None	\$ -
SPG-9 - Recoiless Rifle	50	II	None	\$ -
PG-7VM	20,000	III	None	\$ -
7.62x39mm	24,000,000	III	None	\$ -
14.5x114mm	750,000	III	None	\$ -
23x152mm	1,250,000	III	None	\$ -
60mm HE	25,000	III	None	\$ -
82mm HE	25,000	III	None	\$ -
120mm HE	10,000	III	None	\$ -
122mm for BM21	5,000	III	None	\$ -
7.62x54mm Ball	2,185,000	III	None	\$ -
12.7x108mm	1,200,000	III	None	\$ -
SPG-9 TBFR9	1,660	III	None	\$ -
SPG-9 OG-9mz	3,250	III	None	\$ -
Total Value				\$ 267,000,000.00

# **EXHIBIT 2**



**United States Department of State**

*Bureau of Political-Military Affairs  
Directorate of Defense Trade Controls*

*Washington, D.C. 20522-0112*

In Reply Refer to  
DTC Case **BA L110-11**

MAY 5 - 2011

Mr. Marc Turi  
Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd.  
Suite 300  
Las Vegas, NV 89128

YOUR LETTER DATED: March 29, 2011  
SUBJECT: Prior Approval of Brokering Activity Related to 22 CFR 129.7  
COMMODITY: Categories I, II & III

Dear Mr. Turi:

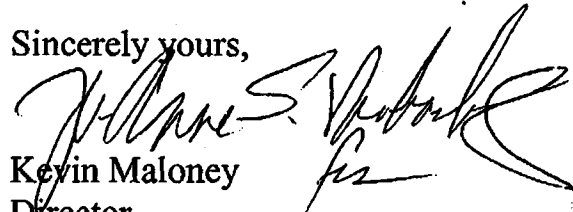
The Department of State has reviewed your request for prior approval to engage in brokering activities related to the sale of defense articles identified in Attachment A to the Ministry of Defence, Government of Qatar, for military and security purposes.

The Department of State approves your request.

This brokering approval is not an authorization to export any defense articles, defense services or technical data as designated in 22 CFR Part 121, which requires separate approval if applicable.

If you have any questions, please contact Jo-Anne Riabouchinsky at (202) 736-9227 or by e-mail at [Riabouchinskyjo@state.gov](mailto:Riabouchinskyjo@state.gov).

Sincerely yours,

  
Kevin Maloney  
Director,

Office of Defense Trade Controls Licensing

Attachment A

One Source Worldwide

## ATTACHMENT A

Description	Qty	USML Category	Security Classification	Delivered Price
AKM	15,000	I	None	\$ -
RPK	1,400	I	None	\$ -
KPV - Heavy Machine Gun	1,000	II	None	\$ -
Zu-23 (Twin)	500	II	None	\$ -
RPG7	1,000	II	None	\$ -
PKMS	500	I	None	\$ -
DSHK	300	I	None	\$ -
60mm Mortar w/Optics	100	II	None	\$ -
82mm Mortar w/Optics	100	II	None	\$ -
120mm Mortar w/Optics	50	II	None	\$ -
SPG-9 - Recoilless Rifle	50	II	None	\$ -
PG-7VM	20,000	III	None	\$ -
7.62x39mm	24,000,000	III	None	\$ -
14.5x114mm	750,000	III	None	\$ -
23x152mm	1,250,000	III	None	\$ -
60mm HE	25,000	III	None	\$ -
82mm HE	25,000	III	None	\$ -
120mm HE	10,000	III	None	\$ -
122mm for BM21	5,000	III	None	\$ -
7.62x54mm Ball	2,185,000	III	None	\$ -
12.7x108mm	1,200,000	III	None	\$ -
SPG-9 TBFR9	1,660	III	None	\$ -
SPG-9 OG-9mz	3,250	III	None	\$ -
Total Value				\$ 267,000,000.00

 PART OF LICENSE NO. BA-1110-11  
 MAY 5 - 2011



# **EXHIBIT 3**



One Source Worldwide

Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd., Suite 300  
Las Vegas, NV 89128

BAL 189-11  
K-2085  
VA  
46F

June 11, 2011

JUN 13 2011

Kevin Maloney  
Director, Licensing  
U.S. Department of State - Office of Defense Trade Controls Compliance  
Compliance & Registration Division  
2401 E Street, NW, SA-1, Room H1 200  
Washington, D.C. 20037

Re: PRIOR APPROVAL

Dear Mr. Maloney:

In accordance with 22 C.F.R. 127.7(a)(s), we would like to respectfully request prior approval to conduct brokering activities as outlined below.

Relevant information for this transaction would be:

- a) End User and Use of Equipment: Turi Defense Group, Inc. will be brokering the equipment listed in Attachment "A" which is of non-U.S. origin and will not be traveling through a U.S. port to the End User, The Ministry of Defence and/or Ministry of Interior for the Government of the United Arab Emirates for military and security purposes.
- b) Brokering Activity - Turi Defense Group is brokering USML defense articles
- c) Additional Parties:  
  
Albadie Group  
Al Nasr Street, Al Badie Tower, Level 2-3  
P.O. Box 229, Abu Dhabi, United Arab Emirates
- d) Defense articles, quantity, value, security classification, USML Category: See Attachment A
- e) Technical Data: No technical data will accompany the hardware.
- f) Country of Origin: Czech Republic, Bulgaria, Romania, Ukraine

In compliance with 22 C.F.R. 122.2(b)(1), I hereby state that I am an authorized senior official of Turi Defense Group, Inc. Furthermore, I hereby state that:



*One Source Worldwide*

Neither the intending registrant, chief executive officer, president, vice-presidents, other senior officers or officials (e.g., comptroller, treasurer, general counsel) nor any member of the board of directors:

(i) has ever been indicted for or convicted of violating any of the U.S. criminal statutes enumerated in 22 CFR 120.27; or

(ii) is ineligible to contract with, or to receive a license or other approval to import defense articles or defense services from, or to receive an export license or other approval from, any agency of the U.S. Government.

In accordance with 22 CFR 122.2(b) (2), I state that *Turi Defense Group, Inc.* is neither owned nor controlled by foreign persons (as defined in 22 CFR 120.16).

Should you have any questions, please contact me by e-mail at [marc@turico.com](mailto:marc@turico.com) or by phone office 888-953-5999 or mobile phone 702-274-3638.

Best Regards,

Marc Turi  
President

Registrant Code: K-2085



One Source Worldwide

## ATTACHMENT A

Description	Qty	USML Category	Security Classification	Delivered Price
AKM	15,000	I	None	\$ -
RPK	1,400	I	None	\$ -
KPV - Heavy Machine Gun	1,000	II	None	\$ -
Zu-23 (Twin)	500	II	None	\$ -
RPG7	1,000	II	None	\$ -
PKMS	500	I	None	\$ -
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12.7x108mm	1,200,000	III	None	\$ -
SPG-9 TBFR9	1,660	III	None	\$ -
SPG-9 OG-9mz	3,250	III	None	\$ -
Total Value				<u>\$ 267,000,000.00</u>

# **EXHIBIT 4**



Marc Turi <marc@turico.com>

---

**CASE# BA L189-11**

4 messages

---

**Marc Turi** <marc@turico.com>

Thu, Jul 21, 2011 at 9:31 PM

To: "Riabouchinsky, Jo-Anne" <riabouchinskyjo@state.gov>

Jo-Anne,

I know you are still working on this case. I see from Ellie.net DoD returned with an answer today. Can you tell me if this CASE is APPROVED w/ PROVISIONS. With the provisions being that Turi Defense Group provides the serial numbers for the weapons and submits an annual report.

Best Regards,

--

Marc Turi  
President

Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd., Suite 300  
Las Vegas, NV 89128  
Ph: (888) 953-5999 Fax: (702) 543-1402  
Email: marc@turico.com  
Web: www.turidefense.com

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Thank you

---

**Riabouchinsky, Jo-Anne** <RiabouchinskyJO@state.gov>  
To: Marc Turi <marc@turico.com>

Mon, Jul 25, 2011 at 7:22 AM

This case will be approved with no provisos (other than what is normally required by the brokering requirements of Section 129 of the ITAR).

Jo-Anne Riabouchinsky

PM/DDTC

This email is UNCLASSIFIED.



---

**From:** Marc Turi [mailto:marc@turico.com]  
**Sent:** Thursday, July 21, 2011 9:32 PM  
**To:** Riabouchinsky, Jo-Anne  
**Subject:** CASE# BA L189-11

Jo-Anne,

I know you are still working on this case. I see from Ellie.net DoD returned with an answer today. Can you tell me if this CASE is APPROVED w/ PROVISIONS. With the provisions being that Turi Defense Group provides the serial numbers for the weapons and submits an annual report.

Best Regards,

--  
Marc Turi  
President

Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd., Suite 300  
Las Vegas, NV 89128  
Ph: (888) 953-5999 Fax: (702) 543-1402  
Email: marc@turico.com  
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Thank you

---

**Marc Turi** <marc@turico.com>  
**To:** "Riabouchinsky, Jo-Anne" <RiabouchinskyJO@state.gov>

Mon, Jul 25, 2011 at 9:02 AM

Thank you!

On Mon, Jul 25, 2011 at 4:22 AM, Riabouchinsky, Jo-Anne <RiabouchinskyJO@state.gov> wrote:

This case will be approved with no provisos (other than what is normally required by the brokering requirements of Section 129 of the ITAR).

Jo-Anne Riabouchinsky

PM/DDTC

This email is UNCLASSIFIED.

---

**From:** Marc Turi [mailto:marc@turico.com]  
**Sent:** Thursday, July 21, 2011 9:32 PM  
**To:** Riabouchinsky, Jo-Anne  
**Subject:** CASE# BA L189-11

Jo-Anne,

I know you are still working on this case. I see from Ellie.net DoD returned with an answer today. Can you tell me if this CASE is APPROVED w/ PROVISIONS. With the provisions being that Turi Defense Group provides the serial numbers for the weapons and submits an annual report.

Best Regards,

--

Marc Turi  
President

Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd., Suite 300  
Las Vegas, NV 89128  
Ph: (888) 953-5999 Fax: (702) 543-1402  
Email: marc@turico.com  
Web: www.turidefense.com

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Thank you

--  
Marc Turi  
President

Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd., Suite 300  
Las Vegas, NV 89128  
Ph: (888) 953-5999 Fax: (702) 543-1402  
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Thank you

---

**Marc Turi** <marc@turico.com>  
To: Rudy Atallah <ratallah@wmrgroup.com>

Tue, Jul 26, 2011 at 9:37 PM

----- Forwarded message -----

From: **Riabouchinsky, Jo-Anne** <RiabouchinskyJO@state.gov>  
Date: Mon, Jul 25, 2011 at 4:22 AM  
Subject: RE: CASE# BA L189-11  
To: Marc Turi <marc@turico.com>

This case will be approved with no provisos (other than what is normally required by the brokering requirements of Section 129 of the ITAR).

Jo-Anne Riabouchinsky

PM/DDTC

This email is UNCLASSIFIED.

---

**From:** Marc Turi [mailto:marc@turico.com]  
**Sent:** Thursday, July 21, 2011 9:32 PM  
**To:** Riabouchinsky, Jo-Anne  
**Subject:** CASE# BA L189-11

Jo-Anne,

I know you are still working on this case. I see from Ellie.net DoD returned with an answer today. Can you tell me if this CASE is APPROVED w/ PROVISIONS. With the provisions being that Turi Defense Group provides the serial numbers for the weapons and submits an annual report.

Best Regards,

--

Marc Turi  
President

Turi Defense Group, Inc.  
7251 W. Lake Mead Blvd., Suite 300  
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Thank you

--

Marc Turi  
President

Turi Defense Group, Inc.  
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